

REMARKS

This communication is filed in response to the Office Action having an electronic notification date of August 5, 2009. By virtue of the present response, claim 1 is amended. No claims are canceled or added. Consequently, claims 1-22 remain pending in this application.

Specification Objections

Paragraph [0087] of the Published Application was objected to as having an incorrect figure number. Applicants have amended paragraphs [0076] and [0087] on page 2 of this response. Applicants note that this amendment was requested in the response filed April 24, 2009 and respectfully request that the amendment be entered and that the present objection be withdrawn.

§ 101 Rejection of the Claims

Claims 1-10 were rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Applicants respectfully traverse the rejection and disagree with the Examiner's response to the arguments previously presented but, to expedite prosecution, Applicants amend claim 1, from which claims 2-10 depend, to recite "automatically awarding, , using one or more processors, a payout." Applicants assert that independent claim 1 is statutory since it is specifically tied to one or more processors. The one or more processors are considered as, "A particular practical application of a judicial exception [that] is eligible."¹ As such, Applicants request that the present rejection be withdrawn.

§ 112 Rejection of the Claims

On page 6 of the *Office Action*, the Examiner withdrew the prior rejection of claims 11 and 12 under 35 U.S.C. § 112. Applicants thank the Examiner for withdrawing the rejection.

¹ See *Interim Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. §101* (August 25, 2009) at 16 (see slide no. 5).

§ 103 Rejection of the Claims

Claims 1-22 were rejected under 35 U.S.C. § 103(a) as allegedly obvious over U.S. Publication No. 2001/0020231 by Perri III et al. (*Perri*) in view of U.S. Publication No. 2003/0101131 by Warren et al. (*Warren*), U.S. Patent No. 7,191,151 to Nosek (*Nosek*), and U.S. Publication No. 2002/0151359 by Rowe (*Rowe*). Since no *prima facie* case of obviousness has been established, Applicants respectfully traverse.

The recent U.S. Supreme Court decision of *KSR v. Teleflex* provides a tripartite test to evaluate obviousness.

The rationale to support a conclusion that a claim would have been obvious is that all the claimed elements were known in the prior art and *one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions*, and the combination would have yielded nothing more than predictable results to one of ordinary skill in the art. (See *KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 U.S.P.Q.2d 1385 (2007)); *see also* MPEP § 2143, emphasis added.)

Applicants will show that the cited references, either singly or in combination, neither teach nor suggest all limitations of Applicants' claimed elements, with no change in the respective functions of the cited references, nor is there any substantiating evidence that the combination of the references would have yielded nothing more than predictable results. "If any of these [three] findings cannot be made, then this rationale [of combining prior art elements according to known methods to yield predictable results] cannot be used to support a conclusion that the claim would have been obvious."²

The Examiner used four references in the rejection of rejecting Applicants' claims. The large number of references is highly suggestive that the Examiner is using Applicants' structure as a template and selecting individual elements from each reference in a hindsight reconstruction of Applicants' claimed invention. Further, the use of individual elements from four references suggests that the Examiner is merely considering whether the differences are obvious, not whether the invention as a whole is obvious.

² MPEP § 2143, emphasis added.

The US Supreme Court has held that USPTO personnel may not dissect a claimed invention into discrete elements and then evaluate the elements in isolation. Instead, the claim as a whole must be considered.³ When considered as a whole, Applicant's claimed elements are neither taught nor suggested by any combination of the cited references.

For example, the Examiner is asserting that the combination of the referral bonus system of *Perri* and the account customization methods of *Warren*, used in the payment service of *Nosek* and further combined with the casino player activity scheme of *Rowe* teach or suggest the elements of claim 1. *Office Action*, pages 8-10. Applicants' claim 1 recites:

[E]stablishing an account for the second party, the account being associated with one of a plurality of bonus programs, the account being further associated with the first party;

receiving a payment at a network-based payment machine and associating the payment to the account for the second party; and

automatically awarding by a computer a payout to the first party based on the payment received by the account for the second party and on a plurality of payout conditions of the bonus program that is associated with the account, the plurality of payout conditions including an initial hurdle and an initial payout.

The Examiner more specifically asserts that the casino player activity scheme of *Rowe* can be added to the compensation method of *Perri* to suggest the bonus program of Applicants' claim 1. *Office Action*, page 11. The Examiner concludes that "[h]ere simple common sense dictates that the results would be predictable, i.e. that the referrers would be incented, just as the players in *Rowe*, to refer the payment service to merchants." *Office Action*, page 11.

Perri generally discusses that a referrer receives compensation based on referred consumer activity. *Perri* at Abstract. The activity is generally limited to another person "shopping," "use of service," or "program participation." [0079]. However, the casino player activity scheme of *Rowe* is used to reward a player based on his/her own behavior. *Rowe* provides, "a player may determine *their* eligibility for a particular prize, or the level of additional points (and thus associated play) which may be necessary to qualify for that prize." [0039] (emphasis added). Thus, the levels are used to incentivize additional behavior by the player himself. As such, the rewards program of *Perri* is based on the activity of another person while

³ See, e.g., *Diamond v. Diehr*, 450 U.S. 175, 188-89, 209 USPQ 1, 9 (1981).

the casino player activity scheme of *Rowe* is based on the activity of the same person so that the same person is able to determine how much additional play is required to qualify for a specific prize. Because the referrer of *Perri* cannot adjust his/her own activity towards earning compensation based on referrals (i.e., the referrer cannot control how a referee will act), the referrer is not able to determine an amount of additional activity is required towards the initial hurdle and initial payout of claim 1. Thus, modifying the compensation method of *Perri* as described by *Rowe* renders *Rowe* inoperable for its intended purpose. Consequently, *Perri* and *Rowe* are not even properly combinable. Therefore, *a fortiori*, the combination of *Perri* and *Rowe* cannot render Applicants' claims obvious.

Further, the Examiner's proposed combination does not "automatically award[] ... a payout to the first party based on the payment *received by* the account for *the second party* and on a plurality of payout conditions of the bonus program that is associated with the account, the plurality of payout conditions including an initial hurdle and an initial payout" as recited by claim 1 (emphasis added). The compensation method of *Perri* is based on shopping (or another activity) where a payment is received *from* the referred customer to, for example, purchase a good. Abstract and [0079]. Likewise, the casino player activity scheme is also based on receiving funds *from* the player. *Rowe* at paragraph [0039]. As such, the Examiner is changing the respective functions of the references by combining three buyer-based rewards systems with the seller-side payment service of *Nosek* and has, as a result, not established a *prima facie* case of obviousness under 35 U.S.C. §103. Applicants therefore request that the present rejection be reconsidered and withdrawn and, further, that claim 1 be allowed.

Independent claims 11, 21, and 22, as amended, each share similar limitations with claim 1 and are asserted to also be allowable for at least the same reasons. Claims 2-10 and 12-20 depend either directly or indirectly from claim 1 or 11 and are allowable for at least the same reasons. Further, these dependent claims may each be patentable for its own limitations.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned at (408) 278-4051 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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Date 19 November 2009

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 19th day of November, 2009.

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